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CIA head predicts 'vicious' oil rivalry

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Washington—CIA Director Stansfield Turner yesterday said that potentially "vicious" competition will develop in the next decade for a diminishing worldwide supply of oil.

In a rare public forecast of the international energy outlook, the Central Intelligence Agency chief said the Soviet Union will begin importing oil over the next few years, putting increased pressure on already tight Middle Eastern reserves.

For the United States and other western powers, Admiral Turner told the Senate Energy Committee, "the cardinal issue is how vicious the struggle for energy supplies will become."

Admiral Turner predicted that obstacles to securing a stable flow of oil from the Persian Gulf to the United States would be magnified during the 1980s.

"The physical security of the oil routes and any of the gulf oil fields is tenuous and any major intraregional conflicts—such as another Iran or another Arab-Israeli war—could well lead to some disruption of oil supplies," he said.

Admiral Turner, in response to questions by committee members, would not assess the chances of a Middle East oil cutoff during the decade. But committee chairman Henry Jackson (D. Wash.),

whose panel is investigating the strategic implications of a tightening supply of oil, said he regarded it as almost inevitable.

"Internal turmoil throughout the Middle East, fueled by Soviet intrigue, make a supply interruption in the next decade a virtual certainty," he said.

Admiral Turner told committee members, who unsuccessfully encouraged him to speak more frankly about the likelihood of international energy crises over the next 10 years, that "we believe that world oil production is probably at or near its peak and will decline through the 1980s."

The director of central intelligence said that before the end of 1980, Soviet oil production—11.7 million barrels daily last year—will peak.

As the Soviets begin looking for new sources of supply, Admiral Turner said Russian leaders will be forced to make "extremely painful" economic, political and military choices to keep the Soviet economy from sharp decline.

He said the Russians may use diplomatic pressures or barter arrangements for weapons with Middle Eastern producers.

But he added that tougher action, including "covert subversion," intimidation and military action, "cannot be ruled out."

Combined with diminishing production

from Middle Eastern producers, Admiral Turner said the smaller Soviet oil supply will add "another potentially destabilizing ingredient to an area [the Middle East] which already has experienced wrenching political events in the past year. . . ."

"It also is likely that the Soviets will be increasingly active in the diplomatic arena in the Middle East," Admiral Turner said, "holding out as a carrot the glimmer of a stable political atmosphere if the Gulf states become more cooperative on oil and political matters."

He said, "Moscow is already making the point that Middle Eastern oil is not the exclusive preserve of the West."

Even without a war or crisis in the Middle East, Admiral Turner said, there will be a shortage of oil on the world market during the 1980s.

Members of the committee, who believe the United States should build a domestic oil reserve for emergencies, urged him to make a specific prediction on the odds of a cutoff.

"I do not want to forecast a high probability," Admiral Turner said, "but the possibility certainly does exist . . . it certainly can happen."

Admiral Turner said that Saudi Arabia, the major Middle Eastern producer, may reduce production.